Delivering Shared Services in Government:

- The Story of IT Assist

Barry Lowry (Head of IT Assist)
BCS Presentation
7 October 2011
This evening’s Presentation:

• Why NICS considered sharing ICT Services
• The scope of the challenge
• What we agreed to do & how we did it
• What we have achieved so far
• Where next
• The Benefits of the intervention
Why NICS decided to Share:

1. Government Policy (Gershon/Transformational Government)

2. Issues with Existing Service

3. Corporacy / General Strategic Direction

4. Changes in Technology
Civil Service Reform

Delivery of better public services by improving our capacity and providing the necessary technology and facilities.
Transforming the IT landscape:
What we did.....

**Old Service Model**
- 11 Departments served by 6 IS units associated with the pre-devolution departments, with some services provided by the centre
- 3 Mail products, two office productivity systems, 13 Active Directories
- > 1 LAN per building
- Numerous wide area network connections
- Jack of all Trade approach to staff development
- Uneven service

**New Service Model**
- Shared Service Centre for common ICT services. ISUs focused on LOB
- Single Infrastructure, Single Active Directory
- Standardisation of products and processes
- Staff allocated to roles which maximise their strengths and interests
- Equity of service

Transform
What are Shared Services?

Shared Services is a business model with the following characteristics:

- An internal organization becomes an internal service provider and manages a non-core, but essential functional area
- Business organizations request products and services from the shared service provider
- The shared service organization provides products or services to multiple business organizations in the company
- The users of products and services are charged by the provider for the things they use
- The shared service organization is run rather like an independent business, covering their costs through revenue
- Measurements including external and internal benchmarking assure that the shared services organization is efficient and always improving

It's not outsourcing or consolidation!

Holland & Davis
Why Shared Services?
(Holland & Davis)
Reasons for establishing SSO

- Improve service: 75%
- Standardize services: 74%
- Reduce administration costs: 71%
- Support corporate strategy: 63%
- Reduce headcount and salaries: 58%
- Group similar tasks: 56%
- Reduce redundant tasks: 46%
- Enable flexible growth: 42%
- Reduce infrastructure: 36%
- Simplify roll-out of technology: 29%
- Improve working capital: 23%

Are no longer just about cost: Effective service delivery is now as important as improving efficiency.
Are becoming more strategic: ‘Link to strategy’ is the fastest growing driver for shared services

© The Hackett Group 2009
The Shared Service Phenomenon

- “The UK government could save up to £40bn over the next decade by sharing services across public sector human resources and finance functions”
  The BuyIT Best Practice Network (December 2005)

- The vision of the government is that by 2016, the majority of the transactional elements of Corporate Services in the public sector will be delivered through a handful of professional shared services organisations. Some of these organisations will remain within the public sector although many will be outsourced.”.
  Paul Bentham, Addleshore Goddard (June 2007)

- In the wake of pressure to improve service delivery while cutting costs, the public sector is beginning to embrace the shared services model to take advantage of economies of scale and streamline processes.
  Financial Times (2006)

- In the past 10 years, the shared service centre (SSC) concept has emerged as the dominant business trend for the provision of cost-effective support functions. Today, 80% of all Fortune 500 companies have implemented SSCs. In Europe, almost 70% of pan-European SSCs are based in four key markets. In order of importance, these are: the UK, Ireland, Netherlands and Spain.
  Peter Lemagnen Oxford Intelligence (April 2005)

- Shared services are set to reshape public sector ICT as organisations that once jealously guarded their digital turf enter into partnerships intended to cut costs and improve the effectiveness of ICT.
  (PublicTechnology.net October 2011)
A “no-brainer”?

“There are clear benefits that can be gained from sharing services across the UK public sector as highlighted by reports such as Gershon and Varney. Experience from the private sector shows that typically corporate shared services can deliver efficiencies of between 20% and 50%. Where central government departments have established corporate shared services, e.g., DWP, HMRC, DfT, DEFRA, HMPS these have delivered significant benefits.”
Jo Clift, UK Cabinet Office (March, 2008)

“One of the really encouraging things we have seen from the introduction of shared services across departments is the great improvement that you do get in management information. I think until you have got good information it is actually quite difficult to effectively manage any of the services that you have got.”
Alexis Cleveland, Director-General of Transformation and Delivery, Cabinet Office (Apr 08)

“We have achieved remarkable success in creating a culture of innovation anchored on "shared services" and "smart alliances.".
Robert Scott, Procter & Gamble (June 2007)
Or ……

Shared services are by no means a sure thing. The area is riddled with contractual and legal potholes.

Paul Bentham, Addleshaw Goddard
June 2007

“Although 85% of companies (in our survey) expected performance to improve through shared services, only 66% believe they have achieved improvement. Similarly, 76% expected increased productivity, but only 56% have realised this goal. Finally whereas 53% expected improved internal client satisfaction, only 42% report success in this area.”

A.T. Kearney (March 04)

Shared service organisations are failing to live up to expectations. Our recent Research Study of nearly fifty global shared service organisations showed that SSCs are not realising their full potential.

Alsbridge plc Oct 2008

Parliament's Public Accounts Committee has described the 'stupendous incompetence' of the Department for Transport's shared-services project.

ZDNET Dec 2008
"Change is hard because people overestimate the value of what they have—and underestimate the value of what they may gain by giving that up."

(James Belasco and Ralph Stayer, Flight of the Buffalo (1994))
"People don't resist change. They resist being changed!"

(Peter Senge)
Why do Projects Fail?

‘Seven Deadly Sins’ – factors that will lead to IT project failure:
1. Poor project scoping and undefined project objectives, roles and responsibilities – leading to the setting of unrealistic expectations
2. Lack of communication between IT and the business – resulting in a mismatch of requirements and expectations
3. No senior business sponsor AND separate project manager
4. Technology put before people: no or minimal involvement of key users during the scoping phase and lack of regular communication with them throughout the project implementation
5. No project success metrics
6. No risk assessment or contingency plan
7. Lack of regular checks to ensure the project is on track – to time and budget

Unilog 2003
## Essential Components of Successful Shared Services

*(Butler Group: April 09)*

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Project Sponsorship</strong></td>
<td>Strong sponsorship and leadership from all participating organisations is essential to make the project a success.</td>
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<td><strong>Shared Objectives</strong></td>
<td>Objectives are likely to be similar rather than an exact match, thus effort needs to be made to align objectives between participating organisations.</td>
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<td><strong>Measurement</strong></td>
<td>Agree methods for measuring the success of the project beyond adherence to SLAs.</td>
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<td><strong>Quality versus Cost</strong></td>
<td>It is implied that quality will increase whilst simultaneously reducing costs – managing expectations around this can be complex.</td>
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<td><strong>Ongoing Project</strong></td>
<td>Once implemented it is essential that the shared service is regularly reviewed for required enhancements, changes, etc.</td>
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<td><strong>Project Management</strong></td>
<td>Realistic project management is essential in ensuring that the project is delivered according to timescales and requirements; don’t be over-ambitious in setting targets that cannot be realistically achieved.</td>
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The TCD McDonagh Model

The 4 Quadrant Leadership Model

- **Architect**
  - Strategy and policy
  - Governance
  - Infrastructure
  - Programme management

- **Humanist**
  - Organization development
  - Collaborative change
  - Communicating change
  - Process consultation

- **Engineer**
  - Project management
  - Services management
  - Process engineering
  - Systems engineering

- **Broker**
  - Coalition building
  - Benefits management
  - Managing consultants
  - Performance auditing

© 2004, Dr. Joe McDonagh, Trinity College Dublin

• Area of greatest risk

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How we therefore did it in NICS:

- Consult & Sell
- Justify & Assure
- Fund, Initiate, Design & Plan
- Exemplar/Lessons Learned
- Rollout

2004
- Steering Group Established

2005
- OBC/Sourcing

2006

2007

2009
Outline Business Case – Key Aspects

• Must provide high quality support to individual users and the business as a whole at an affordable price;
• Should be technically innovative without compromising reliability or security, or costing too much;
• Should provide an opportunity for in-house ICT staff to develop their careers;
• Should provide services to common standards to all parts of the NICS;
• Should be governed and managed in a way which makes it accountable to its customers, i.e. departments and agencies;
• Should contribute to the delivery of the public sector modernisation and reform agenda.
The ICT SSC Vision:

“The SSC provides a cost effective means of delivering ICT infrastructure and common services to all Departments within NICS, operating to industry best practices and providing improved levels of service availability and resilience to meet the needs of all stakeholders”. 
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<th>Department</th>
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And this is IT Assist!

- All 11 Departments came on Board (April 07 – Mar 09)
- c 30 NDPBs
- Letter of intent from DOJ
- Departments see themselves as partners/shareholders

Accommodation  People  Technology

Processes

Back Office  Front Office  Customers
2010/11

• 104K telephone calls handled during the year
• 70K incidents addressed
• 18.5K service requests dealt with

October 2011

• 90% calls made were taken
• 94% of incidents resolved within target
• 88% of service requests dealt with within target

September 2011

• 87% of our customers said the quality of our services were of a high standard.
• 90% said we dealt effectively with issues
• 86% said we were well informed and equipped to deal with their calls
ESS Governance Arrangements

Accounting Officer
DFP Perm Secretary

Permanent Secretaries
Group

SSO Audit and Risk
Committee

Shared Services
Strategy Board

SSO Senior
Management Team

HR Service Board

ICT Service Board

Finance Service Board

Management of Operations and Service Delivery

Relationship / Account / Service Management

CHANGE
Strategy
Policy
Needs
Requirements
Perception

SERVICES
SLAs
KPIs
Quality
Finance
VFM

Operations Performance Management
Frontline Support

- Technicians role created and staff recruited
- Dealing directly with 40% of calls
- Excellent customer feedback
- Single ITIL compliant Service Desk
People

- Merger/relocation of ISU staff
- ITIL-based organisation Chart
- Use of SFIA/Staff Skills Register
- Staff satisfaction Review

Back Office

Front Office

Customers
# IT Assist Reorganisation

## Service Planning
- Service Level/Improvement Plan Management
- Service Catalogue Management
- Information Security Management/Accreditation
- Supplier Management
- Portfolio Management
- Account / Business Relationship Management
- Architect
- Capacity Management
- Availability Management
- IT Service Continuity/Risk Management
- Demand and Request Management
- Access Management
- EDA Engagement

## Customer Service & Service Control
- Service Request/Project Fulfilment
- Service Desk
- 1st Line Support
- 2nd Line Support
- Problem Management
- Knowledge Management
- Event / Alert Management
- Change Management
- Configuration Management
- Governance, Risk, Compliance
- Team
- Policy & Control
- Project Support Office

## Financial & Administrative Management
- Procurement
- Fixed Assets
- Charging
- Accounts
- SMT Support
- Governance Support
- Conference Support
- TQM
- Administration

## Service Operations
- System Admin
- Security Monitoring & Admin
- Service Monitoring & Control
- Directory Services
- Network Admin
- Storage Management
- Release & Deployment Management
- Transition Planning & Support
- Service Validation & Testing
- Evaluation
- Print Services

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*BCS Presentation – Oct 2011*
ICT Professionalism affects all Grades

e.g. Potential Grade 7 post in NICS:

• Head of ICT Service Provision
• Head of Information Services
• Chief Technician
• Programme Manager
• Contract Management
“Five Have Plenty of Fun”
NICS ICT Skills Capability Framework

**SOFT SKILLS**
- Effective leadership: Strategy formulation:
- Goal setting: Communications Strategy/Skills:
- Interpersonal skills: Customer Focus:
- Succession Planning: Managing finance in a technical environment: Understanding the impact of legislation

**BUSINESS SKILLS**
- Project Mgmt: Change Mgmt: Consultancy:
- Customer Orientation: Customer Ethos:
- Systems Analysis/Business Analysis: Service Mgmt: Risk Mgmt:
- ICT role in wider business strategy: Goal fit/Congruence:
- Horizontal/Vertical Integration

**TECHNICAL SKILLS**
- Service Desk/Incident Management:
- Applications Support: Desktop
- Configuration/Maintenance:
- Server Development: Mobile Applications
- Development: Software development/Maintenance: Database Development/Admin
The Value of Empowerment

McGregor 1960

Theory X - authoritarian, regressive style. Tight control, no development. Produces limited, depressed culture.

Theory Y - liberating and developmental. Control, achievement and continuous improvement achieved by enabling, empowering and giving responsibility.

Employee Empowerment
Three Levels

Degree of Empowerment & Leadership

Enabling employees to make more and bigger decisions without having to refer to someone more senior

Involving employees in taking responsibility for improving the way that things are done

Encouraging employees to play a more active role in their work

Organizational Benefits

- Getting closer to the customer
- Improving service delivery
- Innovating continuously
- Increasing productivity
- Gaining the competitive edge

Smith 1996
when empowerment occurs at work, everyone benefits:

• The organisation – because individual talents are harnessed to the full;

• The department or team – because it becomes more enthusiastic, active and successful;

• Individuals – because they are stretched beyond what they previously thought they could achieve.

Jane Smith, 1996
Staff Attitude Survey Focus Group
“One to Watch” at first attempt in Sunday Times Best Companies to Work For Competition

- **Leadership** measures how people feel about the head of their organization, the senior management team and organisational values
- **Well Being** measures stress, pressure, the balance between work and home life and the impact of these factors on personal health and performance
- **My Manager** measures whether people feel supported, trusted and cared for by their immediate manager
- **My Team** includes encouraging team spirit, feeling part of the organisation, having fun, and belonging
- **My Company** focuses on how much people value their organisation, how proud they are to work there, and whether they make a difference
- **Personal Growth** examines whether people feel challenged by their job, whether their skills are being utilized and their perceived opportunities for advancement
- **Fair Deal** includes how well employees feel they are treated and how their pay and benefits compare to similar organisations
- **Giving Something Back** explores how much people think their organisation puts back into society and whether they believe this effort is driven by profit motives
Accommodation

- Refurbishment of Craigantlet Buildings
- Developing a requirement for new premises
- Data Centre Contract Awarded to BT

Back Office

Front Office

Customers
Processes

- Five processes in use
- Service Desk live
- Service Requests live
- Touchpaper Service Desk supporting all activity

Back Office

Front Office

Customers

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NICS ITIL Service Transformational Approach

<table>
<thead>
<tr>
<th>Traditional IT Approach</th>
<th>ITSM Approach (Based on ITIL)</th>
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<tr>
<td>Technology focus</td>
<td>Process focus</td>
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<tr>
<td>Re-active (fire-fighting)</td>
<td>Pro-active</td>
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<tr>
<td>Users</td>
<td>Customers</td>
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<tr>
<td>Isolated, silos</td>
<td>Integrated service delivery team</td>
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<tr>
<td>Cost centre</td>
<td>Profit centre (Valued business partner)</td>
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<tr>
<td>Informal/NO process</td>
<td>Best practice approach</td>
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<tr>
<td>Ad hoc delivery</td>
<td>Accountable Governance model</td>
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<tr>
<td>Internal IT perspective</td>
<td>Business perspective</td>
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<tr>
<td>Operational specific metrics</td>
<td>Service focused metrics</td>
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Becomes
Technology

- Resilient E-Mail Contract Awarded
- NIGov Domain in place
- Major consolidation over next 3 months
Building quality from bottom up ....

Excellence of Partnerships

ID Management

Secure Access Device

Best of Breed Office S/W

Resilient Virtualised Servers

Tier 4 Data Centre

High Speed LAN

Quality of Service Network

Excellence of Support
IT Assist is judged on three Benefits ….

• Cost
• Customer Satisfaction
• Stakeholder Satisfaction
IT Assist Benefits Realisation

<table>
<thead>
<tr>
<th>No</th>
<th>Benefit</th>
<th>Type</th>
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<tbody>
<tr>
<td>A</td>
<td>REDUCED COST OF ICT PROVISION</td>
<td>Cost</td>
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<tr>
<td>B</td>
<td>INCREASED END USER SATISFACTION WITH SUPPORT SERVICE</td>
<td>Satisfaction</td>
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<tr>
<td>C</td>
<td>GREATER ASSURANCE IN ALL ASPECTS OF THE GOVERNANCE OF THE SERVICE</td>
<td>Satisfaction</td>
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09/10 £1200
OBC Figure £1482
Gov (GB) £2362
CAFCASS (Flex) £1700

60% - Nov 08
65% - Nov 09
70% - Nov 10

Very Satisfied/Satisfied
(Current 85%)

70% - May 10

Very Satisfied/Satisfied
(survey completed in Oct 10 – 100%)
Service Improvement

- Customer Feedback (CS Surveys)
- Internal Review (Problem RCA)
- Stakeholder feedback (Account Management)
- New Technology (Market Analysis)

IT Assist Service Improvement Plan
Other Project Benefits

1. Service Catalogue now underpinned by highly robust infrastructure including data centres, fast, robust network and resilient messaging
2. Longer Help Desk Opening Hours
3. More services, e.g. Blackberry, home broadband
4. Management information
5. Single active directory hugely beneficial to Account NI & HR Connect
6. More flexible working opportunities
Time to Embrace the Cloud?
Questions?